

For the week ending Friday, 07 July 2017

## Quote of the week 1

“We all have ability. The difference is how we use it”: Charlotte Whitton (1890 – 1975)

## Market summary 2

- The **S&P/ASX200 index** fell a modest amount, down **0.3%** to **5703**.
- The **Aussie Dollar** gave up **1.08%** against the US, closing marginally above **\$US0.76**.

## Key data 3

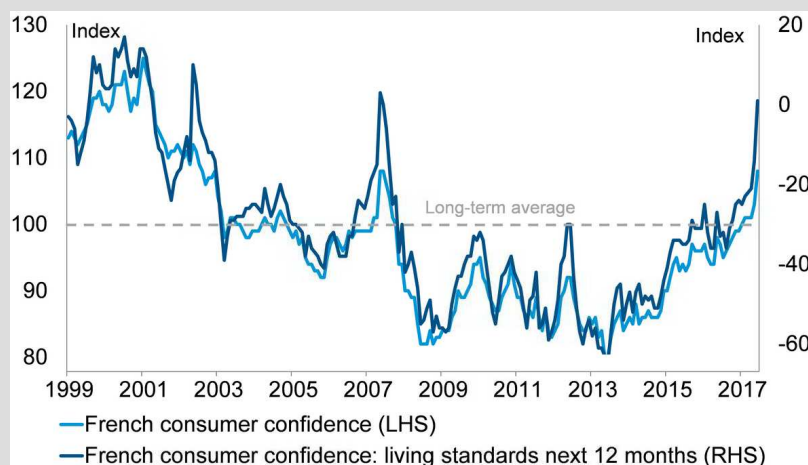
- The **TD Securities-Melbourne Institute's** gauge of inflation edged up **0.1%** in June, bringing annual inflation down to **2.3%** to 2.8%.
- **ABS data** showed **retail sales** jumped by **0.6%** in May in seasonally adjusted terms - tripling expectations. The annual increase was pushed to over **3.8%**, the best result since April 2016.
- For the tenth meeting in a row the **RBA** has kept the **cash rate on hold** at **1.5%**.

## In the News 3

- The British buyers of the **Arrium** assets (including the **Whyalla steelworks**) intend to invest around **\$1 billion** on the steel plant and surrounding infrastructure.
- **Coca-Cola Amatil** has lost a major contract to supply carbonated soft drinks and water to Domino's Pizza Enterprises, who have now engaged rival bottler Pepsi/Schweppes.
- Figures from the **ABS** show that **Australian farmers** are using around **23% less water** for food and fibre production than they were three years ago, due to **government water buybacks, structural changes** and **seasonal conditions**.

## 'Eye-opener of the week 4

The recent election of Emmanuel Macron as President of France has been a cause for optimism in Europe. French bond yields have come down compared to 'safe' German bonds, and consumer confidence has reached 10-year highs. In addition for labour market reform, Macron's party intends to address fiscal reform. Given France's status as the highest spending government and tax burden in Europe (56% and 48% of GDP respectively) this will take a considerable political effort.



## Sources

1. brainyquote.com 2. Commsec. 3. Australian Financial Review 4. Bloomberg, CFSGAM